

CONSUMERS MAINE WATER COMPANY

Re: Proposed Increase in Rates for its
Camden and Rockland Division

STIPULATION

It is understood and agreed by and between Consumers Maine Water Company (“Company”) and the Office of Public Advocate as follows:

I. Purpose

It is the purpose of this Stipulation Agreement to settle all the issues with respect to this proceeding, to eliminate the need to hold a hearing and to expedite the Public Utilities Commission’s consideration and resolution of this proceeding. The provisions agreed to herein have been reached as a result of information gathered through the discovery process and discussions and negotiations with the Company.

II. Procedural History

On December 17, 2002, Consumers Maine Water Company filed a rate increase application for its Camden and Rockland Division requesting a 4.85% increase, or \$190,819 of additional annual revenue. This application was filed using a 2001 actual test year. The Public Advocate intervened in the proceeding.

III. Stipulation Provisions

1. It is agreed that the record on which the Commission may base its determination in this matter shall consist of this Stipulation Agreement, all data requests and responses thereto, and any other material furnished by the Staff to the Commission, either orally or in writing, at the time of the Commission’s consideration of these proceedings.
2. It is agreed that this Stipulation Agreement shall not be considered legal precedent, nor shall it preclude a party from raising issues addressed herein in any other Commission proceeding or investigation.
3. The new annual revenue requirement shall be \$4,100,906. This represents a \$168,500 or 4.28% increase over the 2001 adjusted test year revenue of \$3,932,407. (Or, in the format often requested by the Maine PUC, the revenue requirement as set forth in this Stipulation Agreement represents a \$187,168 or 4.78% increase over the 2001 unadjusted test year revenue of \$3,913,738)
4. Allowed rate base is \$12,561,504.

5. Capital Structure / Cost of Capital is as filed by the Company, and is based on 12/31/01 actual as presented on Exhibit CMW-18.00.
6. The stipulated revenue increase reflects consideration of any and all issues identified in the Company's filing and quantifiable adjustments proposed by one or more parties during the discovery process.
7. The Company shall submit to the Office of Public Advocate a detail of actual rate case expenses associated with this proceeding once final costs are known.
8. The parties agree that this rate increase will be allocated pro rata across all metered and fire protection classes.
9. The Company shall file with this Stipulation compliance tariffs and a billing analysis showing the new rates. It is agreed that the new tariffs shall become effective on the day of the Commission Order approving this stipulation, but no later than March 15, 2003.

It is agreed that this Stipulation Agreement represents the full agreement between the parties hereto and that rejection of any part of this agreement constitutes rejection of the whole.

CONSUMERS MAINE WATER COMPANY

Judy W. Kelley

DATED: March 6, 2003

Judy W. Kelley, President

OFFICE OF THE PUBLIC ADVOCATE

DATED: , 2003

William C. Black
Deputy Public Advocate